



DEPARTMENT OF HEALTH AND HUMAN SERVICES

Change in Federal Award Closeout Provisions

AGENCY: Office of the Assistant Secretary for Financial Resources (ASFR), Department of Health and Human Services (HHS or the Department)

ACTION: Notice.

SUMMARY: HHS will follow the Federal award Office of Management and Budget (OMB) closeout provisions modified the closeout provisions rather than the HHS-specific closeout provisions.

FOR FURTHER INFORMATION CONTACT: Johanna Nestor at Johanna.Nestor@hhs.gov or (202) 631-0420.

SUPPLEMENTARY INFORMATION:

Background: In 2014, HHS codified the Uniform Administrative Requirements, Cost Principles, and Audit Requirements (UAR) for HHS Awards at 45 CFR part 75. 79 FR 75889 (Dec. 19, 2014). This codification included HHS-specific language, including the adoption of the closeout provisions at 45 CFR 75.381. In 2020, the Office of Management and Budget modified the closeout provisions for Federal awards at 2 CFR 200.344. 85 FR 49506 (Aug. 13, 2020). These modifications:

- Increase the number of days for recipients to submit closeout reports and liquidate all financial obligations from 90 calendar days to 120 calendar days after the end of the period of performance.
- Require awarding agencies to complete closeout actions no later than one year after the end of the period of performance unless otherwise directed by authorizing statutes.
- Require awarding agencies to close out awards within one year of the end of the period of performance based on available information and report the recipient to the OMB-

designated integrity and performance system (currently Federal Awardee Performance and Integrity Information System (FAPIIS)).

The HHS-specific closeout provisions at 45 CFR 75.381 are more restrictive than 2 CFR 200.344 as modified. This may lead to recipient confusion and inconsistencies in closeout timing government-wide. Additionally, the different provisions may result in report submission delays, which can affect closeout task reconciliation and effective completion. Adhering to the 2 CFR 200.344 closeout provisions would provide more time for recipient compliance and conform with other Federal awarding agencies, thus promoting greater equity and fairness.

Action: For the reasons stated above, effective October 1, 2023, HHS will follow the 2 CFR 200.344 closeout provisions. This action will minimize the burden on the internal and external grants communities while ensuring the timely closeout of HHS awards.

William D. Bell IV,

Deputy Assistant Secretary for Grants.

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